

## House Republican Press Release

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### **Rep. Ryan: Partisan Votes Prevent Tax Cuts For Businesses**



HARTFORD – State Rep. John J. Ryan, R-Darien, today denigrated legislation touted by Democrat legislators as a bold initiative for job creation. Senate Bill 702, An Act Concerning Jobs for the 21<sup>st</sup> Century is actually a weak attempt to assist the state’s business community, said Rep. Ryan. The bill, without the Republican provisions, received final legislative approval on Tuesday, April 25 and now goes to Governor M. Jodi Rell.

The bill would exempt all manufacturing machinery and equipment (MME) from property taxes and reimburse towns for the revenue loss after a five-year phase-in. It would do so by simultaneously phasing out the current, limited exemption and phasing in the new one, under which the state must reimburse towns for the entire revenue loss.

By phasing in the elimination of the manufacturing machinery and equipment tax over 5 years, Democrats allow plenty of time to reinstate the tax when faced with deficits in the near future, said Rep. Ryan. In fact, the state Office of Fiscal Analysis and Office of Policy and Management currently both agree that the State is expected experience deficits beginning in Fiscal Year 2007-08.

Despite pledges from majority party leaders that the current legislative session would focus on stimulating the state economy and job creation, the Legislature has yet to approve any such measures.

House Republican leaders offered several amendments on April 25 to make significant improvements to the SB 702, all of which were defeated in nearly party-line votes. Amendments that were rejected included measures that would have: eliminated the \$250 minimum tax on Limited Liability Corporations (LLCs); eliminate the 20% corporate surcharge, which costs state businesses between \$40 and \$50 million a year; required the Legislature’s non-partisan research staff to analyze the impact of bills on private-sector jobs, which would provide legislators with valuable information about a proposal’s impact on the job climate in the state; and rather than conduct a five year phase to eliminate the manufacturing machinery and equipment tax, enact it immediately.

“For all of the talk from the legislative majority on the importance of job creation, this is the first bill, at this late point in our Session, to address this issue, and it does far too little,” said Rep. Ryan. “Democrats killed worthy Republican amendments that would

have reduced a variety of annoying anti-business taxes, and done some real good for our employers and our economy. Once again, there is a major disconnect between political rhetoric and press releases, and the reality of what bills pass our General Assembly.”